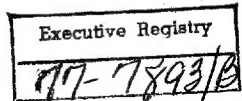


The Director of Central Intelligence

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The Honorable Daniel K. Inouye, Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Mr. Chairman:

This letter responds to your request (R#8150) that I explore alternatives going beyond release of a single budget figure and consider whether the intelligence budget could be divided into overt and covert activities. I recognize this response is a bit long, but the points I wish to make require explanation.

I think your suggested breakout of the intelligence budget into "overt" and "covert" expenditures would be subject to considerable misunderstanding. "Covert actions" (which has a very narrow meaning) have been given considerable publicity, and I believe that a budget heading for "covert" expenditures would probably be interpreted as meaning "covert actions." I suggest a more suitable distinction would be between sensitive and non-sensitive intelligence activities.

We have reviewed our National Foreign Intelligence Program budget in terms of what is sensitive and what is non-sensitive, and I am convinced that no matter how we designate the subheadings the "non-sensitive" figure would

release would only raise questions and serve no public purpose.

If we look at the budget on the basis of programs, all of the

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